

OFFICE OF THE GOVERNOR



Division of Administration
Office of Risk Management

Annual Report
June 30, 1996

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A Message from the State Risk Director

I wish to thank Governor Mike Foster and Commissioner of Administration Mark Drennen for the high level of support they have given the Office of Risk Management for the Self-insurance Program. It is my great pleasure to work with them in providing quality services to the agencies and taxpayers of the State and in helping to promote a new image for Louisiana.

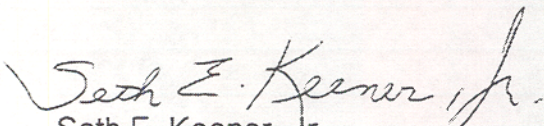
For the Fiscal Year 1995-96, the Office of Risk Management experienced an improved atmosphere with regard to administration and funding. In Fiscal Year 1995-96 a total of \$15,831,332 was paid on losses by Legislative appropriation, down from a total of \$123,644,132 paid for the Fiscal Year 1994-95. It is anticipated that there will be \$0 paid under these conditions in Fiscal Year 1996-97 and that, again, ORM will administer the Self-insurance Program without participation of the Legislature.

In 1995 the Louisiana electorate ratified a constitutional amendment authorizing the Legislature to cap liability. The result was tort reform acts passed by the Legislature which places a cap on general damages of \$500,000 with no cap on special damages, and limits joint and solidary liability to a tortfeasor's allocated degree of fault. This tort reform, although not retroactive on open cases, will have an effect on future claims by a reduction of costs.

Despite funding problems and work load impairments, the staff of the Office of Risk Management continues to operate in an efficient, cost effective manner.

During the last half of Fiscal Year 1995-96, the Administration of the Office of Risk Management began a series of projects aimed at improvement of quality control in the Agency. This included actions such as combining Units to impact costs, eliminating unnecessary positions, improving procedures to accomplish internal controls and effective management. The results have been extremely positive. The program addressing quality is on going and a number of beneficial projects will be completed in 1997.

I would like to take this opportunity to express my appreciation to the employees of the Office of Risk Management for their hard work and commitment to excellence that helps the Agency reach its goal.


Seth E. Keener, Jr.
State Risk Director

Office Profile

Mission Statement

The mission of the Office of Risk Management (ORM) is to develop, direct, and administer a cost effective risk management program for the State agencies which comprise the State of Louisiana.

History

The Office of Risk Management was created within the Division of Administration by R.S. 39:1527, et seq., in order to provide a comprehensive risk management program for the State.

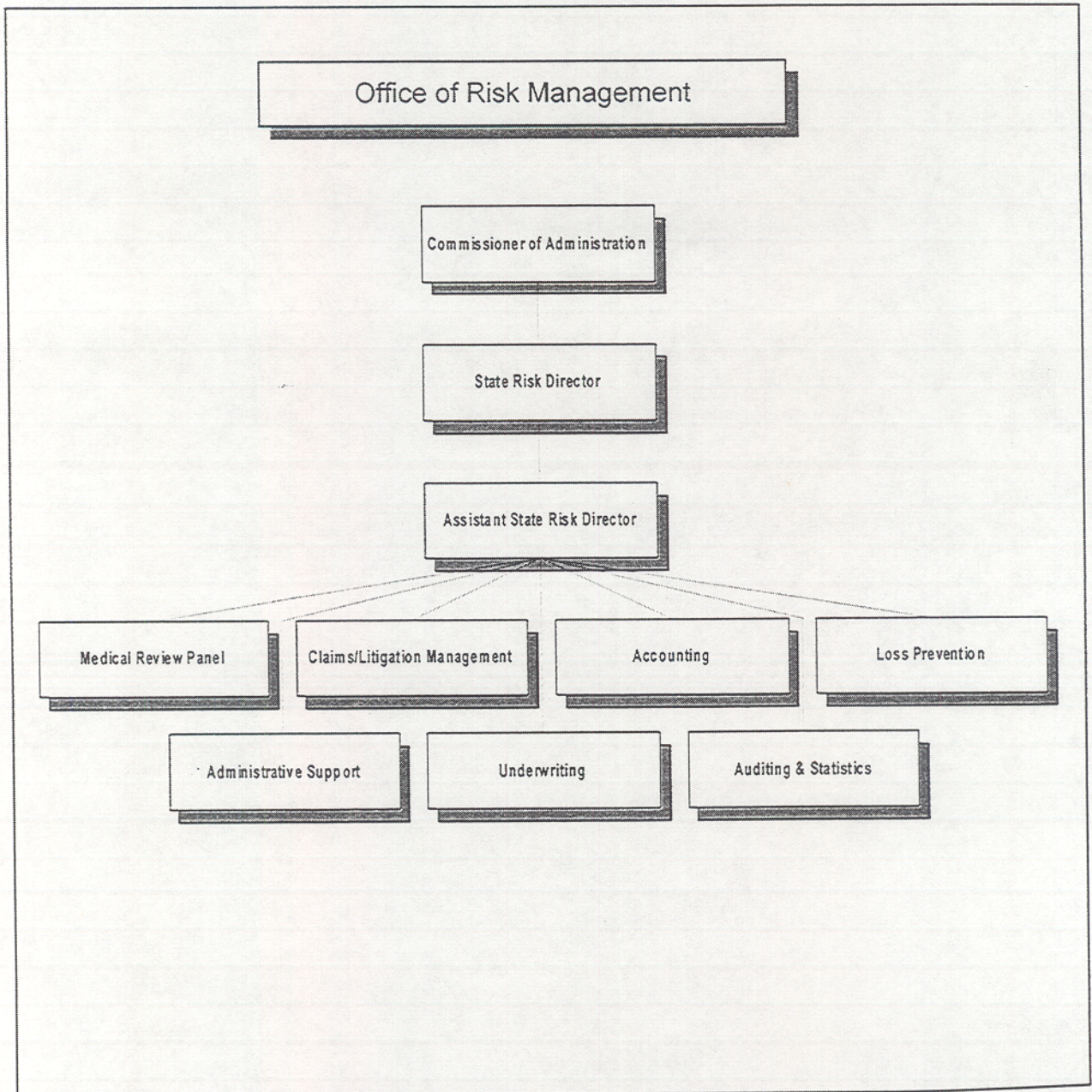
Coverages Provided

R.S. 39:1527, et seq., further designates the Office of Risk Management to be solely responsible for all Property and Casualty and Worker's Compensation insurance purchased by ORM or self-insured by ORM for all State departments, agencies, boards, and commissions.

The Office of Risk Management provides Workers' Compensation coverage to all of the State's approximately 92,000 employees. Coverage is provided for State property valued at \$7,066,054,079. ORM also provides coverage for employee bonds, crime, automobile liability and physical damage, comprehensive general liability, personal injury liability, boiler and machinery, medical malpractice, road hazards and miscellaneous tort coverage for those tort claims not otherwise covered.

Other coverages are provided as needed, such as excess over self-insurance, specific excess for crime, aviation, wet marine, and bridge property damage.

Organizational Chart



Office Directory

Main Office

Mailing Address
P.O. Box 94095
Baton Rouge, LA 70804-9095

Location Address
626 N. 4th Street
Baton Rouge, LA 70802

Telephone: (504) 342-8500

Fax: (504) 342-8418

Loss Prevention Branch Offices

Belle Chase

C/O Metropolitan Development Center
251 F. Edward Hebert Blvd.
Room 65, Administration Bldg.
Belle Chase, LA 70037
(504) 394-1200 Ext. 296

Lafayette

101 Rue Iberville, Suite 103
Lafayette, LA 70508
Telephone: (318) 262-5580

Luling

107 Maryland Drive, Suite C
Luling, LA 70070
Telephone: (504) 785-1846

Monroe

122 St. John Street
Post Office Box 1661
Monroe, LA 71210-1661
Telephone: (318) 362-3308

Pineville

Suite 102, Euclid Street
Pineville, LA 71360
Telephone: (318) 487-5014

Shreveport

State Office Bldg.
1525 Fairfield Ave., Box 2
P.O. Box 37631
Shreveport, LA 71133-7631
Telephone: (504) 676-7647

Claims Branch Offices

Kenner

Airport Commerce Center
1919 Veteran's Blvd.
Suite 301
Kenner, LA 70065
(504) 471-2739

Lafayette

101 Rue Iberville, Suite 103
Lafayette, LA 70508
Telephone: (318) 262-5113

Monroe

122 St. John Street
Post Office Box 1661
Monroe, LA 71210-1661
Telephone: (318) 362-3307

New Orleans

1541 Tulane Avenue
Butterworth Building, Room 111
New Orleans, LA 70140
Telephone: (504) 568-6825

Pineville

Suite 102, Euclid Street
Pineville, LA 71360
Telephone: (318) 487-5701

Shreveport

State Office Bldg.
1525 Fairfield Ave., Box 2
P.O. Box 37631
Shreveport, LA 71133-7631
Telephone: (504) 676-7649

Office Directory

Auditors

Office of the Legislative Auditor
1600 North Third Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

Telephone: (504) 339-3900
Fax: (504) 339-3870

Actuary

Tillinghast-Towers Perrin
1200 Riverplace Boulevard
Suite 610
Jacksonville, FL 32207-1803

Telephone: (904) 398-5661
Fax: (904) 399-8267

Management Team

State Risk Director

Seth E. Keener, Jr.
Telephone: (504) 342-8422
Fax: (504) 342-8418

State Risk Assistant Director

Evon L. Wise
Telephone: (504) 342-1221

Accounting Officer

Pamela Whiteside
Telephone: (504) 342-8427

Auditing & Statistics Manager

Elaine Raiford
Telephone: (504) 342-3420

Claims Officer

Bob McCardle
Telephone: (504) 342-8433
Fax: (504) 342-3845

Loss Prevention Manager

Fred Connors
Telephone: (504) 342-8479

Underwriting Manager

Patricia Reed
Telephone: (504) 342-8472

Achievements

Accounting

The Accounting Unit of the Office of Risk Management has completed another successful year and continues to provide management with accurate, timely, fiscal data to enable and enhance the decision making process. The Accounting Unit underwent major changes this year due to the reorganization of the contracts function into the Accounting Unit and the assumption of duties related to the distribution of all claims checks.

In addition to the routine daily activities that support the functions listed below, the Accounting Unit officer and managers were involved in providing specialized information and analyses for the Director, Commissioner, Assistant Commissioner and on an "as needed" basis for the Division of Administration, Office of State Planning and Budget, Joint Legislative Committee on the Budget, Legislative Fiscal Office and other agencies statewide.

Cash Management of \$200 million

Accounts Payable

Accounts Receivable

Fixed Asset Management

Payroll processing for 136 employees

Petty Cash System

Bank Reconciliation for approximately 7500 checks monthly

Cost Accounting and Analyses

Monitoring and Quality Control on Claims Management System

Budget Preparation for total budget of \$225 million

Budget Monitoring by cost center (monthly) on 17 cost centers

Actuarial Reporting on 15 lines of self-insurance for claim reserves totaling in excess of \$1 billion

Maintenance of a computerized accrual Accounting System for financial reporting of 18 lines of insurance for managerial purposes and a modified accrual basis system for state wide financial reporting

Billing documents for each of the 600 state billing entities on ISIS

Processing of all travel expense reports for approximately 75 employees

Assisting with Premium Development on 15 lines of self-insurance

Processing Division of Risk Litigation payments and entry to Claims System

Distribution of approximately 7500 checks per month